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**Audit Of United States Capitol
Guide Force January 1, 1970, Through
January 2, 1971, And Liquidation
Of Its Assets And Liabilities
January 3 Through March 4, 1971**

B-733224

**BY THE COMPTROLLER GENERAL
OF THE UNITED STATES**

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JULY 2 1971



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-133224

Dear Mr. Dunphy:

This is our report on the audit of the United States Capitol Guide Force financial statements for the period January 1, 1970, through January 2, 1971, and the liquidation of its assets and liabilities during the period January 3 through March 4, 1971, as required by the Legislative Reorganization Act of 1970.

The financial statements were prepared by us from the records of the United States Capitol Guide Force on a basis consistent with that of the preceding year and in accordance with the accounting practice and financial arrangements described on page 5 of the report. In our opinion, the financial statements present fairly the financial position of the Guide Force at January 2, 1971, and the results of its operations for the period then ended.

We found that all assets and liabilities of the Guide Force had been liquidated within the 60-day period specified by the act.

On January 3, 1971, the Capitol Guide Service was established as a congressional entity under a Capitol Guide Board. As of January 3, 1971, members of the Capitol Guide Force at January 2, 1971, were appointed as guides under the Capitol Guide Service (congressional employees).

Sincerely yours,

A handwritten signature in cursive script, appearing to read "James P. [unclear]".

Comptroller General
of the United States

The Honorable Robert G. Dunphy
Chairman, Capitol Guide Board *RLG 00603*

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AUDIT OF THE UNITED STATES CAPITOL GUIDE FORCE
AND THE LIQUIDATION OF ITS ASSETS AND LIABILITIES

INTRODUCTION

GENERAL COMMENTS

The United States Capitol Guide Force was created about 1876 to provide for the orderly handling of tourists in the United States Capitol Building. Although the Guide Force was not established by specific legislation, it has operated continually since its establishment. The Guide Force operated under rules and regulations issued by the Capitol Police Board.

The guides were not legislative employees; therefore they did not participate in the Federal retirement, life insurance, or health benefits programs. Their compensation was paid from fees collected for guide services and from commissions on sales of the book "We, the People."

At December 31, 1970, the Guide Force consisted of 24 guides. Mr. Robert McCormick, a House of Representatives appointee, served as Captain during the first half of calendar year 1970. Because of illness he was replaced by Mr. Jared Rolston, a House of Representatives appointee, who served as Captain for the remainder of the year.

LEGISLATIVE REORGANIZATION ACT

The Legislative Reorganization Act of 1970, effective January 3, 1971, provided for reorganizing the Guide Force and establishing it under the Congress as the Capitol Guide Service and for the establishment of a Capital Guide Board. The act provided also that the Capitol Guide Service operate under the direction, supervision, and control of the Capitol Guide Board and that all records and assets of the Guide Force be transferred from the Capitol Police Board to the Capitol Guide Board.

The Capitol Guide Board is authorized:

1. To establish the number of Guide positions considered to be necessary to carry out the activities of the Capitol Guide Service.
2. To appoint on a permanent basis a Chief Guide, an Assistant Chief Guide, and the other Guides considered to be necessary.
3. To prescribe the duties and responsibilities of all employees of the Capitol Guide Service.
4. To fix, and adjust from time to time, the Capitol Guide Service employees' respective rates of pay at single per annum (gross) rates.
5. To terminate the employment of the Chief Guide, Assistant Chief Guide, or Guides as the Board considers to be appropriate.
6. To prescribe a uniform dress to be worn by the Capitol Guide Service employees when on duty and to provide such uniforms without charge to the employees.

As of January 3, 1971, the Capitol Guide Board appointed the members of the Capitol Guide Force at January 2, 1971, as members of the Capitol Guide Service. Pending the appointment of a Chief Guide, Mr. Floyd Kirby, a Senate appointee, is serving in the position.

The act provides that a fee no longer be charged for a guided tour of the United States Capitol and that the expenses of the Capitol Guide Service be paid from the contingent fund of the House of Representatives until appropriations are available for the payment of such expenses.

OPERATIONS OF THE CAPITOL GUIDE FORCE

GUIDE SERVICE FEES

The fees charged for guide service, as provided for by the Capitol Police Board's regulations, were 25 cents a person for general visitors and 15 cents a person for school organizations, with the following exceptions.

1. For groups brought in by sight-seeing companies, a fee of 15 cents was charged for children from 6 to 12 years of age; no fee was charged for children under 6 years of age.
2. For other general visitors, no fee was charged for children under 10 years of age.
3. Special tours, for which tickets were not issued, were given for a \$5 fee.

Pre-numbered tickets were sold to general visitors and to school organizations and sight-seeing companies on a pre-paid basis.

COMMISSIONS

By arrangement with the United States Capitol Historical Society, the guides included in their lectures a brief description of the book "We, the People" and encouraged visitors to purchase a copy either before leaving the Capitol or by mail order. A mail order form for the book was printed on the back of the tour tickets sold by the Guide Force.

The arrangement provided that the society pay the Guide Force a basic commission of \$100 a week and a commission of 5 cents for each paperbound copy and 10 cents for each hard-bound copy of the book sold. These commissions were paid to the guides at 2-week intervals.

SERVICE FEES

The guide service fees were determined by totaling the amount of cash received for tickets sold to general visitors

and the dollar value of prepaid tickets redeemed and were apportioned to participating guides--those on duty or on approved leave--subject to the allocation of an additional 50 cents to the captain. The fees were paid to the guides each week.

INCOME AND DISTRIBUTION

Net income for the period January 1, 1970, through January 2, 1971, was \$240,982. (See sch. 2.) The distribution of income to guides was \$242,118 (see sch. 4), of which \$2,410 represented 1969 undistributed income. The undistributed income at January 2, 1971, was \$1,274. (See sch. 3.)

The compensation for each guide who worked full time for the entire period January 1, 1970, through January 2, 1971, averaged \$10,425, compared with an average of \$11,500 for calendar year 1969. The decrease in compensation resulted primarily from a decline in the number of visitors using the guide service.

LIQUIDATION OF ASSETS AND LIABILITIES
OF THE CAPITOL GUIDE FORCE

The Capitol Guide Board was given 60 days from January 3, 1971, to conclude the affairs of the Guide Force. During the period January 3 through March 4, 1971, all liabilities were paid and the remaining undistributed income of \$1,274 was paid to the guides; each guide's share was based on the percentage of his participation in the total income distributed during 1970. (See sch. 5.)

During the liquidation period cash refunds of \$3,857 were made for prepaid tickets redeemed, the largest refund being made to D.C. Transit in the amount of \$3,008.

SCOPE OF AUDIT

Our audit was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered to be necessary in the circumstances.

OPINION OF FINANCIAL STATEMENTS

The accompanying comparative statements of financial condition (sch. 1) and of income and expense (sch. 2) and the statements of undistributed income (sch. 3), distribution of income to guides (sch. 4), and liquidation of assets and liabilities (sch. 5) were prepared by us from the records of the United States Capitol Guide Force, which had been maintained on an accrual basis. These statements do not include the cost of certain benefits and services furnished to the Guide Force without charge, such as space used by the Guide Force, telephone service, cost of tickets and forms printed by the United States Government Printing Office, and services by the staff of the Sergeant at Arms of the Senate.

In our opinion, the accompanying financial statements--schedules 1, 2, and 3--which were prepared on a basis consistent with that of the preceding year and in accordance with the accounting practice and financial arrangements

described above, present fairly the financial position of the United States Capitol Guide Force at January 2, 1971, and the results of its operations for the period January 1, 1970, through January 2, 1971.

FINANCIAL STATEMENTS

UNITED STATES CAPITOL GUIDE FORCE

COMPARATIVE STATEMENT OF FINANCIAL CONDITION

JANUARY 2, 1971, AND DECEMBER 31, 1969

	January 2, <u>1971</u>	December 31, <u>1969</u>
ASSETS		
CASH	\$8,278	\$11,528
ACCOUNTS RECEIVABLE	494	375
Total assets	<u>\$8,772</u>	<u>\$11,903</u>
LIABILITIES AND UNDISTRIBUTED INCOME		
LIABILITIES:		
Undistributed income payable	\$1,104	\$2,126
Federal income taxes withheld	2,418	816
District of Columbia income taxes withheld	119	134
Unearned sales	<u>3,857</u>	<u>6,417</u>
Total liabilities	\$7,498	\$ 9,493
UNDISTRIBUTED INCOME (sch. 3)	<u>1,274</u>	<u>2,410</u>
Total liabilities and undistributed income	<u>\$8,772</u>	<u>\$11,903</u>

SCHEDULE 2

UNITED STATES CAPITOL GUIDE FORCE

COMPARATIVE STATEMENT OF INCOME AND EXPENSE
 FOR PERIOD JANUARY 1, 1970, THROUGH JANUARY 2, 1971
 AND FOR CALENDAR YEAR 1969

	January 1, 1970, through January 2, 1971	Calendar year 1969
INCOME:		
Guide service fees	\$222,680	\$243,378
Book commission	<u>18,573</u>	<u>20,255</u>
	241,253	263,633
EXPENSE:		
Flowers and gifts	\$ 24	\$126
Supplies	104	121
Insurance	76	117
Tax penalty	66	-
Bank service charge	<u>1</u>	<u>-</u>
	<u>271</u>	<u>364</u>
NET INCOME	<u>\$240,982</u>	<u>\$263,269</u>

UNITED STATES CAPITOL GUIDE FORCE

STATEMENT OF UNDISTRIBUTED INCOME

FOR PERIOD JANUARY 1, 1970, THROUGH JANUARY 2, 1971

Balance, January 1, 1970	\$ 2,410
Net income (sch. 2)	<u>240,982</u>
Available for distribution	243,392
Distribution to guides (sch. 4)	<u>242,118</u>
Balance, January 2, 1971	<u>\$ 1,274</u>

SCHEDULE 4

UNITED STATES CAPITOL GUIDE FORCE

STATEMENT OF DISTRIBUTION OF INCOME TO GUIDES

Name of guide	Distributed during period			Total
	January 1, 1970, through January 2, 1971	Undistributed income January 2, 1971	January 3 through March 4, 1971 Final distribution of income	
Bobo, Virginia P.	\$ 10,443	\$ 47.97	\$ 56.08	\$ 104.05
Brady, Marc	10,318	47.96	55.83	103.79
Brown, Mary Love	8,570	47.97	46.02	93.99
Curry, Erma	10,339	47.97	55.44	103.41
Daley, Mary D.	10,375	47.97	55.69	103.66
Dobbs, Catherine	10,304	47.96	55.32	103.28
Fenlon, Bette	10,440	47.97	56.08	104.05
Gee, Douglas, Jr.	10,345	47.97	55.58	103.55
Glover, Patrick, Sr.	10,028	47.97	53.78	101.75
Isenberg, Ray C.	10,392	47.97	55.83	103.80
Kimbrough, Calvin	10,442	47.97	56.08	104.05
Kirby, Floyd E. (Captain, calendar year 1971)	10,503	48.47	56.33	104.80
McCormick, Robert E. (Captain, calendar year 1970)	10,284	47.97	55.18	103.15
Milner, Kathleen C.	10,431	47.97	55.95	103.92
Nottingham, Thomas L.	10,451	47.97	56.08	104.05
Poulos, George P.	10,459	47.96	56.08	104.04
Rogers, Ann	10,443	47.96	56.08	104.04
Rolston, Jared L. (Captain, calendar year 1970)	10,485	47.96	56.33	104.29
Rutledge, Ferrell B.	10,374	47.96	55.69	103.65
Schamp, Arlene M.	10,437	47.96	56.08	104.04
Seeley, Eloise B.	10,443	47.96	56.08	104.04
Showalter, Kathryn	10,442	47.96	56.08	104.04
Woods, Jeanette	10,441	47.96	56.08	104.04
Dunphy, Donna	4,929	-	-	-
Total	\$242,118	\$1,103.71	\$1,273.77	\$2,377.48

UNITED STATES CAPITOL GUIDE FORCE

STATEMENT OF LIQUIDATION

OF ASSETS AND LIABILITIES

JANUARY 3, 1971, TO MARCH 4, 1971

ASSETS AT JANUARY 3, 1971:

Cash	\$8,278
Accounts receivable	<u>494</u>
Total	<u>\$8,772</u>

PAYMENT OF LIABILITIES AND
DISTRIBUTION OF INCOME:

Federal income taxes withheld	\$2,418
District of Columbia income taxes withheld	119
Prepaid tickets redeemed	3,857
Distribution to guides:	
Undistributed income	\$1,104
Final distribution of income	<u>1,274</u>
Total	2,378

Less Federal and District of Columbia income taxes withheld	<u>303</u>	2,075
Federal and District of Columbia income taxes withheld		<u>303</u>
Total		<u>\$8,772</u>